(ii) Bangalore -Hoskote Section of NH-4.

(iii) Bangalore -Devanahalli Section of N H-7

Four-laning of Bangalore-Hour section has been approved under Asian Development bank assistance (Package-II). Four-laning of the other two sections will depend on provisions in the 8th plan which is yet to be finalised.

[*Translation*]

**Yarn from Waste Cotton and Thick Count**

1847. DR. LAL BHADUR RAWAL: Will the Minister of TEXTILES be pleased to state:

(a) the quantity of Yarn produced from waste cotton and thick count for weaving industry during the last two years, year-wise;

(b) whether the Government have formulated any Scheme to ensure its more production; and

(c) if so, the details?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHOLOT) : (a) Since the unit manufacturing yarn from waste cotton are in the Small scale/Unorganised sector, the information about the quantity of yarn produced from waste cotton is not available.

(b) No, Sir.

(c) Does not arise.

[*English*]

**Export performance of Industrial Houses**

1848. SHRI MOHAN RAWALE: Will the Minister of COMMERCE be pleased to state:

(a) the total import and export output of top twenty industrial houses in the country for the years 1988-89, 1989-90 and 1990-91, separately;

(b) whether the Government had constituted a panel to review the export performance of large industrial houses and to suggest suitable measures for increasing such exports;

(c) if so, the salient features of the suggestions made by the panel;

(d) when this panel was formed and who were the members;

(e) whether the suggestions made by the panel have been implemented;

(f) if so, the extent to which the exports has increased as a result thereof; and

(g) the other measures taken or proposed to be taken to increase exports by big industrial houses?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) As per the data available the total import and export of selected large industrial house for the year 1986-87, to the year 1989-90 separately may be seen at Statement-I

(b) Yes, Sir.

(c) The salient features of the suggestions made by the panel are enclose at Statement-II

(d) The panel was set up in december 1988 and names of the members of the panel are enclosed at Statement-III

(e) to (g). The suggestions made by the

panel have been examined. The entire trade scenario has changed with the Liberalised Trade Policy announced by the Government recently. Though in the past large houses have contributed to the industrial growth, their export earnings did not match their foreign exchange utilisation. This situation is now changing in the sense that the exports and the imports ratio has been from 1:1.69 in 1986-87 to 1:1.42 in 1989-90. Their role in the sphere of exports needs to be emphasised particularly in the context of the recent policy pronouncements made in the new industrial and trade policies so as to make them contribute significantly to the foreign exchange earnings of the country.

**STATEMENT-I**

*(Rs. in coreres)*

| *House* | *Exports* | | | *Imports* | | |
|---|---|---|---|---|---|---|
| | *1987-88* | *1988-89* | *1989-90* | *1987-88* | *1988-89* | *1989-90* |
| ACC | 15.56 | 13.46 | 28.23 | 17.71 | 16.90 | 23.17 |
| BIRLA | 180.80 | 152.49 | 170.90 | 167.10 | 415.03 | 478.24 |
| TATA | 151.31 | 321.56 | 304.66 | 126.63 | 187.40 | 110.57 |
| HINDUSTHAN LEVER | 104.13 | 128.01 | 146.20 | 59.20 | 95.04 | 69.90 |
| ITC | 54.62 | 59.05 | 150.09 | 11.06 | 11.40 | 18.34 |
| MACNEILL & MAGOR | 69.91 | 118.25 | 127.86 | 18.42 | 26.67 | 32.68 |
| RAUNAQ GROUP | 5.42 | 19.15 | 9.24 | 12.49 | 12.85 | 6.31 |
| DCM | 14.20 | 11.80 | 15.30 | 8.80 | 11.50 | 17.50 |
| UB GROUP | 1.59 | 32.33 | 48.38 | 17.51 | 51.77 | 82.72 |
| MRF | 19.70 | 64.30 | 66.33 | 19.12 | 62.05 | 50.05 |
| ESCORTS | 6.87 | 10.47 | 23.22 | 34.30 | 57.07 | 50.97 |
| TVS | 0.82 | 1.20 | 3.25 | 4.04 | 26.92 | 16.28 |
| KIRLOSKAR | 5.85 | 18.37 | 35.62 | 5.68 | 41.34 | 44.78 |

(Rs. in coreres)

| House | Exports | | | Imports | | |
|---|---|---|---|---|---|---|
| | 1987-88 | 1988-89 | 1989-90 | 1987-88 | 1988-89 | 1989-90 |
| RELIANCE | 21.13 | 26.14 | 72.75 | 2887.75 | 202.80 | 303.38 |
| EICHER | 4.22 | 3.56 | 6.13 | 33.78 | 45.17 | 35.32 |
| EDI PARRY | 0.44 | 0.53 | - | 4.48 | 2.85 | - |
| ICI | 8.24 | 7.12 | 6.24 | 22.79 | 52.17 | 34.00 |
| NIPPON DEMPRO | - | - | 0.07 | 24.84 | 89.49 | 37.91 |
| BAJAJ | 3.99 | 58.50 | 83.65 | 81.60 | 146.77 | 230.15 |
| J K SINGHANIA | 11.38 | 27.58 | 43.74 | 98.14 | 56.88 | 169.37 |

**STATEMENT-II**

*Salient Features of the Suggestion*

I. For preparation of long term corporate export plans and to provide necessary organisational, financial and marketing support, the large houses should adopt certain measures as indicated below; singly or in combination:

(a) set up a corporate export planning group for the group as a whole

(b) within the next three years at least one or two trading houses should be developed for each group

(c) Set up exclusively subsidiary for each group to fully concentrate on exports including project exports based on consortium approach.

2. Units of large houses should balance their foreign exchange budget within three years commencing from 1990-91 either by increasing exports or by diversification of exports; if individual units are not in a position to achieve this balance, efforts should be made to achieve this balance at the level of the group as a whole.

3. If the export performance of large industrial houses does not indicate a significant increase in exports, Government should review the position after two years and should consider imposing export obligations or stipulating certain disincentives as indicated below for units/groups not achieving the balance between foreign exchange expenditure and earning:-

(a) Fresh licenses involving outflow of foreign exchange should not be given.

(b) From 1993-94, import entitlement should be reduced by 20% per annum, making the to take recourse to utilising replenishment licences available in the market.

4. Even in cases where foreign exchange budget is balanced, the Group should make effort to increase exports annually at 10% in real terms, such houses should be given preference for establishing new units; proposals from such houses for new units should be approved only with export obligation to meet export requirement of raw materials and capital goods; if existing units apply for import of capital goods, export obliteration of three times the value should be imposed. (para 3.8)

5. A Board should be set up in the Ministry of Commerce to monitor all types of export obligations and for clearing foreign exchange budgeting of units of large industrial houses.

6. Large houses should aim at globalisation of manufacturing, marketing and financial system by taking advantage of their tieupts with trans-national companies. The overseas collaborations should be persuaded to source some of their production facilities in India for export to third countries.

7. In respect of overseas joing ventures or wholly owned subsidiaries, only post-facto-approval should be needed for investment to expand or diversify their existing activities. Department of Company affairs and DGID should give their clearances in the meeting of the Inter-Ministerial Committee itself instial of giving separate approval.

8. 100% Export Oriented Units and units in the Free Trade Zones should be delicensed but with a negative list in regard to sale of 25% of production in the domestic tariff area.

9. sections 21 and 22 of MRTP Act requiring clearance from MRTP angle for expansion of capacity beyong 25% or for establishing new units could be deleted. They only result in duplication of proceedings as industrial licensing regulations take care of this already.

10. Leasing of idle capacity by MRTP/FERA companies for export production should be allowed.

11. Third party exports should not be permitted to be counted for fulfillment of export obligations.

12. A package may be worked out to import (subject to clearance from indigenous angle) capital goods for identified export thrust areas with no duty or at coneessional duty subject to a bank guarantee that three times the value of this duty saved is exported additionally within 5 years.

13. Capital goods imported as samples should be allowed free of duty.

14. Concessions available to 100% EOUs should be made available on a *pro-rata* basis to units in the domestic tariff areas exporting at least more than 33% of the production; different packages of incentives could be worked out for units exporting between 33% and 50% and more than 50 %of their production.

15. In order to meet waranaty replacements, permission may be given to sent machines/spare parts to the value of 1% of the exports on a blanket basis instead of individual consignment basis.

16. The proposed scheme of reimbursement of 50% of the insurance premium above a specified limit subject to a maximum of 10% of the total value of exports, may be cleared and implemented early.

17. Transfer of funds abroad from one project to another on completion to be allowed for project exports. Capital equipment on completion of projects may be allowed to be brought back without duty Incentives admissible for project exports should be disbursed concurrently with the progress of work, instead of waiting for completion.

18. IPRS scheme should be expanded to other commodities by evolving suitable funding arrangements.

19. Scope of Blanket Permit Scheme should be expanded to cover expenses on media advertising, promotion of brand products, export on returnable basis of commercial vehicles for demonstration.

20. A scheme should be worked out to provide for entry fee support on a selective basis for new products entering new and developed markets.

21. Time limit should be fixed for giving various approvals, clearances, payments etc. by different instirutions.

22. Interest should be paid if payment

of incentive is delayed by more than six months.

23. Exporters having a track record of more than Rs. 5 crores exports should be exempted from prior clearances subject to post-audit; bulking if licenses and transactions for securing incentives should also be considered for them.

24. The task of preparing and adopting single document dealing with all exports transactions should be expedited by CCI&E.

25. Research institutions should be supported to undertake periodical studies on export performance of large houses.

**STATEMENT-III**

(1) Shri Surendra Singh
Chairman
Special Secretary
Ministry of Commerce(MOC)

(2) Dr. Jayanta Roy
Member
Economic Adviser, MOC

(3) Shri J. N. Ranjen
Member
Joint Secretary, MOC

(4) Shri G.P. Rao
Member
Joint Secretary, MOC

(5) Shri B.B. Tendon
Member
Joint Secretary
Ministry of Industry

(6) Shri Tejendra Khanna
Member
Chief Controller of
Imports & Exports

(7) Shri H.C. Gandhi
Member
Director General
Technical Development

(8) Shri M.c., Jayaraman
Member-
Joint Secretary, MOC
Secretary

**New Dredger for Cochin Port**

1849. PROF. K.V. THOMAS: Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether Cochin Port is getting a new dredger;

(b) if so, the cost of this dredger; and

(c) when this dredger is likely to be made available to Cochin Port?

THE MINISTER OF STATE OF THE MINISTRY OF SUFRACE TRANSPORT (SHRI JAGDISH TYTLER): (a) Yes, Sir.

(b) The sanctioned estimated cost of the dredger is Rs. 21.29 crores.

(c) the vessel is expected to be commissioned by August, 1992.

[*Translation*]

**UNDP and World Bank Aided projects in Uttar Pradesh**

1850. SHRIMATI SHEELA GAUTAM: Will the Minister of FINANCE be pleased to state the names of the on going develop-